

Opening Statement of the Honorable Lee Terry
Subcommittee on Commerce, Manufacturing, and Trade
Hearing on “Fraud on the Elderly: A Growing Concern for a Growing Population”
May 16, 2013

(As Prepared for Delivery)

Welcome to the Commerce, Manufacturing, and Trade Subcommittee's hearing on elderly fraud. I am pleased to have a distinguished panel of witnesses before us today, including representatives of four separate federal entities and a state attorney general.

The hearing title today goes a long way to explaining why we are here. This is absolutely a growing concern for a growing population. The fact is, America's population is growing older. According to the Census Bureau, from 2000 to 2010 the percentage of Nebraskans over age 65 rose 6.2% and the percentage of those over age 85 jumped by 15.8 percent. This trend is set to continue and accelerate. By 2050, the number of Americans over age 65 is expected to double. Thanks to medical innovation and better standards of living, folks are living longer.

And this population tends to be wealthier and have better credit than the average American. According to the 2010 census data, the median net worth of households of those 65 years and older was 4.9 times that of households aged 35-44 and 25.5 times that of those under age 35. This fact is not lost on many of the people in this room today.

Unfortunately, neither is it lost on those seeking to take advantage of our seniors who tend to be more vulnerable and susceptible to some of the many different types of frauds that are being perpetrated.

The testimonies submitted for today's hearing only scratch the surface in describing the multitude of fraud schemes out there. The threat is very real and does not appear to be just small-time crooks. Everything from home equity theft, to letter fraud originating in Nigeria seems to be occurring—clearly, there is no shortage of individuals or perhaps organized crime groups working to trick, abuse and steal from American senior citizens.

One of the reasons we are here today, besides to shed light on this awful trend, is to conduct oversight on the agencies sitting before us, and to make sure they are doing their job to protect seniors as effectively and efficiently as possible.

When reviewing the testimonies, I counted at least five separate task forces spread out amongst DOJ, FTC and CFPB alone - some agency specific and others intra-agency. My concern here is whether or not we are using our resources as effectively as possible and not duplicating them, when several agencies have separate working groups set up that may duplicate the work being done at another agency.

Additionally, are all the agencies communicating with each other? For example, what happens when a phone company sends over a list of numbers that have been connected to fraudulent phone calls---like in the widely reported “876 Jamaica phone scam?” Does FBI share this list with FTC? Does FTC share this with private companies within its jurisdiction? Stealing from individuals who have worked and saved their entire lives so that they may live in dignity during their golden years is nothing less than appalling and we need to make sure government is doing everything it can as efficiently as possible to protect these vulnerable individuals.

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